US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: Stryker Orthopaedics

SECTION I - Approval Requests:

HQAPP Requests:

1. *Approval to offer 80% discount (worst case) off of the Oracle E-Business Suite of applications and Core Technology software listed below. The Technology will match the application discount, however, the core technology will be licensed as application specific to the ERP Project.*

Justification:
Applications: PSFT/JDE is aggressively pricing their proposal to beat our original proposal submitted in March 2003. We were using the former E-Business Suite price list prior to the March 7th "unbundling" of modules. Re-pricing of our proposal using the January 5th, 2004 Price List has increased our E-Business list price by over $2.7M. Based on conversations with the lead partner from D&T, our license negotiations must begin @ 65% in order for us to be competitive.

Core Technology: JDE is differentiating their solution by leveraging the Stryker Orthopaedics infrastructure of AS400/DB2 systems to deploy their web-enabled version of World. The Oracle Core Technology could be at risk if JDE is selected. Once again, we will lead with a 65% discount and the core technology licenses will be application specific.

2. *Approval to license the E-Business Suite & add-on modules under a single licensing metric - Application User – that would license each individual application user for all of the application modules listed on this approval under the Deal Summary (in essence, creating a "Stryker E-Business Suite application bundle"). The net license fee for each application user is determined by dividing the net license fees (total of the applicable licensing metrics on the January 5, 2004 price list) by the total number of application users.*

Justification:
JDE is positioning our licensing metrics as too complex. Customer is concerned about our license metric complexities and has requested a simplified licensing metric that will make monitoring compliance easier as their business grows. The applications user metric will be for a defined population within Strker Orthopaedics and represents more than half of their user population.

3. *Approval to offer Support @ 20% (worst case) of Net License Fees without a JE from license if the final negotiated Net License is $5M or greater. (Confirmed threshold amount with Rev Rec.*
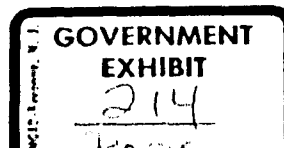
Justification:
Peoplesoft/JDE's " Support" includes update subscriptions, and 24x7 product support for 17% of Net License; in addition, they have offered up a dedicated on-site person for a negotiated number of days per year

4. *Approval to extend a two year price hold for the applications bundled under the Application User licensing metric & an 80% (worst case) discount for the additional products not included on the original ordering document (listed below) with a minimum purchase of $250k. Technical Support for the price hold will be at the same discount as the original deal (ie. If the net L on the original deal is over $5M and Technical Support is at 20% of the Net L, then Technical Support for the price hold will also be at 20% of the Net L fee for each additional user). The price hold will consist of a price hold on ala-carte applications and another price hold for users of the "Stryker Application Bundle".*

Justification:
JDE is positioning our licensing metrics as too complex. Customer has requested a simplified licensing metric that will make monitoring compliance easier today and as they expand the usage of the E-Business Suite Applications. This division within Stryker represents half of their global enterprise. If we are successful, Deloitte Consulting, Stryker Orthopaedics trusted advisor, is positioning the E-Business Suite within Stryker's other divisions. Additionally, if we are successful, we will have a marquee reference in a $16 billion dollar industry that is growing at 20% annually. Based on conversations with the lead partner from D&T, our price hold negotiations must begin @ 65% in order for us to be competitive

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5. *Approval to offer first two years support renewal at 0% increase; support renewal years 3-5 capped @ 4% increase.*
Justification:

Peoplesoft/JDE's " Support" is 17% of Net License and includes update subscriptions, and 24x7 product support in addition to a dedicated on-site person for a negotiated number of days per year. The 0% support cap is needed to show a lower total cost of ownership for support over a five-year period.

6. *Approval to define customer as Stryker Orthopaedics, its parent company (Stryker Corporation), and its majority owned divisions*

Justification:

Stryker Orthopaedics is the largest Stryker division ($2B) and has requested that we extend our ERP concessions to Stryker Corporation's majority owned divisions for future expansion of the Oracle E-Business Suite.

7. *Approval to add "Reference Language" to the Ordering Document where Stryker will only be a reference if they agree to do so in writing.*

Justification:
Stryker does not permit the use of their name for vendor reference purposes without written permission from their senior management team. This should accommodate their position and allow us to use them as a reference in the future.

8. Approval to show list & net license fees only; not individual line item pricing.

Justification:
Since we are seeking approval for a "Stryker E-Business application bundle" that will licensed using our application user metric. the customer has requested a simplified pricing model. To accomplish this, we are seeking approval to show just list license & net license fees rather than individual pricing for each of the applications included in the "Stryker E-Business bundle".

TIER 1 Requests: N/A at this time
1.
2.

TIER 2/3 Requests:N/A at this time
1.
2.

SECTION II – Deal Summary:

Deal Summary (modify as deal changes to reflect your worse case)

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Product Mix:	Applications: E-Business Suite Bundle (January 5, 2004 price list) & the following E-Business Suite add-on modules: • Inventory Optimization • Demand Planning • Advanced Supply Chain Planning • Sourcing • Advanced Collections • Tutor for Applications • Self Service Tutor • iLearning • Treasury • Order Management (electronic orders) • Advanced Pricing (internal users) • Advanced Pricing (electronic orders) • Warehouse Management • Oracle Shop Floor Management • Manufacturing Scheduling • Mobile Supply Chain Applications • iSupplier Portal • iProcurement • Internet Expense • iReceivables • Enterprise Asset Management • Advanced Product Catalog • Customers On-Line **Core Technology:** Discoverer End User; Internet Developer Suite; 9iAS EE; 9i Enterprise Edition RDBMS; Real Application Cluster; Diagnostic, Tuning, and Change Management Packs
License Discount	80 % (ebiz + 55%) Worst Case
Support Discount	80 % (ebiz + 55%) Worst Case
Comp & Admin Discount	
Phased Implementation for Comp & Admin?	See checklist below
Support Options/Holds	2 year price hold on support renewals @ 0% increase; years 3-5 capped @ 4%

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Price Holds	2 year price hold for E-Business Suite Applications listed above @ 80% discount (worst case) & offered under a single license metric – Application User.
	
	2 year price hold for additional modules using Nov. 13th, 2003 Price list metrics at 80% discount (worst case):
	• iStore
	• Configurator
	• iLearning
	• Balanced Scorecard
	• Financials & Sales Analyzer
	• Field Service
	    Option:Sparcs Management
	    Option:Advanced Scheduler
	    Option: Mobile Field Service
	• i-Support
	• CAD 3D View
	• Internal Controls Manager
	• Oracle Clinical Data Management
	• Remote Data Capture
	• Adverse Event Reporting System
	• Thesaurus Management
	• Internal Control Manager

List License	Apps/Tech List License Total: $17,325,470 • Apps. List License Fees $15,693,470 o *Apps. List License Fee per Application User (Reqested Metric by customer) = list license divided by 2136 Apps. Users = $7,282/Apps. User* • Core Tech and Tools: $1,632,000
List Support	$3,465,094
List Comp & Admin	N/A
Net License	Apps/Tech Net License Total: $3,465,094 • Apps. Net License Fees (@ 80% worst case) = $3,138,694 • Apps Net License Fee per Application User (Reqested Metric by customer) = Net license divided by 2136 Apps. Users = $1,469/Apps. User • Core Tech and Tools Net License Fees (@ 80% Worst Case): $326,400
Net Support	$693,019 (@ 20% worst case)
Net Comp & Admin	N/A
Net Price	$4,158,113
Price List Used (specific date)	January 5th, 2004

Migrations	
Does deal include migration (y/n)	No
Discount on migrated licenses	

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| Migration support - before | |
| Migration support - after | |

Customer history	
Existing contractual discount (price hold)	No Existing Contract
Date of Price List for price hold	January 5, 2004
When does price hold expire?	NA
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	NA
Name of Agreement, if applicable	New Oracle OLSA

SECTION III - Justification:

High-level Justification:

This is a highly strategic opportunity in the Life Sciences/Orthopedic Medical Device industry. Stryker is the global industry leader in a $16 billion industry. The magnitude of this win is similar to Pfizer selecting Oracle for it's Applications Standard in February of 2002. We are in a highly competitive battle against PSFT/JDE with Craig Conway engaged to win the business. JDE is the incumbent @ several Stryker Divisions including Stryker Physiotherapy Division, Stryker Jpn, Stryker Hong Kong, Stryker Australia, Stryker Med. Mfg. and Stryker Med. Surgery div.)

There is no Oracle Enterprise Core Technology license agreement in place at Stryker. This is truly a *"new"* business opportunity in a $16 billion dollar industry (Orthopedic Med. Devices) which JDE has dominated over the past ten years and one in which SAP has made in-roads with the Medtronic win two months ago. A big "win" in this industry will change the competitive landscape for future ERP business in this space.

We are proposing to license 2,136 Application Users of the Stryker Application Bundle. This represents a little over half of their current population. We are hoping that setting this deal up this way will lead to future business oportunities to license the remaining users, additional users in other Stryker divisions and provide a solution in the event of mergers or acquistions by Stryker.

This deal will have a worldwide territory and an International Notification Form will be sent up once the final numbers, users and locations are determined.

Competitive Landscape:

PSFT/JDE is installed at three of the top five Orthopedic Medical Device companies (Stryker's competition)
PSFT/JDE is aggressively pricing their proposal to beat our original proposal submitted in March 2003. We were using the former E-Business Suite price list prior to the March 7th "unbundling" of modules. Re-pricing of our proposal using the January 5th, 2004 Price List has increased our E-Business list price by $2.7M.

What is needed to win?

The Stryker Evaluation Team informed us that JDE was the "functional" preference over Oracle. The Executive Management Team is split over the recommendation and is requesting a financial analysis comparing the cost of both systems prior to submitting their Capital Expenditure Request. We need these approvals to aggressively combat Psft/JDE and further differentiate our total cost of ownership. Furthermore, our aggressive net license & support proposal will enhance their business case, which will help secure an Oracle decision. The support concessions will show our willingness to partner now and in the future. Stryker is "cash rich" and they will lead industry consolidation with additional acquisitions, which will drive future revenue for Oracle Corporation.

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: *Chris Politi ASM, Cell 908.565.1662, Office: 732.855.5086*
Lisa Pope, AVP
Field RM name if submitted by OracleDirect:

R: *(leave blank for HQAPP to fill out)*
C:
L:
A:
BP:

****

PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION IV – Computer and Admin Services: *Not applicable*
(Delete this section if not applicable)

If Computer and Administration Services or Administration Services are being ordered please provide information below:

Does this deal include Phased Implementation?
License minimums met at each implementation phase? Is customer purchasing the Ebusiness Suite? No If so what is the total employee population? **Is the 20% rule met in each phase? Is the 10% professional user rule met in each phase?**
Computer and Administration or Administration Services hosting minimums met at each implementation phase? ($6,000 monthly for C&A and $4,000 monthly for Admin for EBSO only: ($6,000 monthly for C& A for Collaboration Suite) ($12,000 monthly for C&A for EBSO and OTO and $8,000 monthly for Admin only for EBSO and OTO) Example: A customer wishes to purchase Computer and Administration Services for 9i and Financials. The net annual fees for 9i are $65K and the net annual fees for Financials are $100K. An incremental fee is not required since the total fees of $165K are greater than the $144K annual minimum Note: If a customer is purchasing a database/ias license simply to be in compliance with E-Business Suite requirements (e.g. they are making modifications), they must purchase Outsourcing for the database/ias as well the E-Business Suite application, but this is not considered Technology Outsourcing and they only need to meet the E-Business Suite minimums of $48,000 for Administration Services only and $72,000 for Computer and Administration Services. On the other hand, if the customer is specifically implementing 9iAS/9i functionality such as Portal or Data Warehouse in addition to E-Business Suite, that is considered Technology Outsourcing and the customer must meet the minimums for both Technology and E-Business Suite Outsourcing. Thus, the minimums would be $96,000 for Administration Services only and $144,000 for Computer and Administration Services. The customer must be in compliance with database licensing requirements
Does this deal have a subset of users?
What is the entire License set?   What is the justification for a subset?
Standard Ordering Document Terms?
Standard pricing?
Is Customer using the Certified Configuration (applies to Admin only)?
Administration Services or Computer and Administration Services:
Applications or Technology or both:
Customer email address (required):
Service Implementer (required):

For existing licenses - (NOTE: Validation of existing licenses and support must be obtained from licmgmt@us.oracle.com)	CSI Number _____ Original License Agreement _____ Original Order Entry No. _____ Date of Original License Purchase _____

Are additional users being purchased for applications that are already hosted? _____

Is this purchase of Administration Services or Computer and Administration Services by a customer who is purchasing Outsourcing for additional products which were not previously hosted?

Are any self-service apps for use outside the firewall being purchased?

Did customer purchase FastForward OnLine Financials RPM (5 day implementation preconfigured general ledger)?

Is customer purchasing an iLearning Subscription?

SECTION V – Ordering Document Details

Instructions - Fill in all sections completely.

APPROVAL REQUIREMENTS - Refer to the Approval Matrix at http://esource.oraclecorp.com
PRICING REQUIREMENTS – Refer to Price List and Price List Supplement for minimums and prerequisites.
PRICING SPREADSHEET – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.
MIGRATIONS - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to http://nafo.us.oracle.com under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.

Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.

General Information	
Contract requested by (insert date): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	2/5/04
Opportunity I.D. (OSO Number):	927472
Is this a ship order?	X Yes No
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	_____ Yes __XX__ No
Does deal contain new licenses with an *approved* non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	_____ Yes (specify non-supported license type and eBusiness license type used to determine conversion) X No
Quote Valid Through (insert date):	January 21,2004
Partner (insert name, if applicable)?	Margin or % of net license fees_____
VAD (insert name, if applicable)?	Margin or % of net license fees
PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee?	_____ Yes __XX__ No
If yes, specify payment type:	_____ Applications Affiliate Fee _____ ROP Fee (GB Use Only)
MIGRATIONS OR UPDATES:	_____ Yes XX No
PREMIUM SERVICES:	_____ Yes XX No
INCIDENT PACKS:	_____ Yes XX No
INTERNATIONAL Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO	_____ Yes XX No
Payment Terms:	XX Net 30 _____ Other (Specify)_____

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Referenced Agreement:	___ New OLSA
	___ Other (Specify)
	X what is the SLSA number: New OLSA

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	Stryker Howmedica Osteonics-, Inc.
Business Address:	300 Commerce Court
City / State / Zip:	Mahwah, NJ, 07430
Customer Contract Admin:	Dan Hope
Phone #:	201.831.5252
Fax #:	
E-mail ID:	dhope@howost.com
Billing Contact:	Same as above but put to the attention of Accounts Payable Department
(Partner/VAD if Indirect):	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Tax Status :	Exempt ___ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt X
Shipping Contact:	Bob Powell
Address:	300 Commerce Ct
City / State / Zip:	Mahwah, NJ 07430
	201.831.5070
Fax #:	
E-mail ID:	bpowell@howost.com
Technical Support Contact:	Bob Bluze
Address:	300 Commerce Ct
City / State / Zip:	Mahwah, NJ. 07430
Phone #:	201.831.5000
Fax #:	
Email ID:	bbluze@howost.com
Partner Name (Indirect):	
Address:	
City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)

Education Prepaid Credit Amount:	$
Education Discount:	____%
Education Revenue:	$
Education Sales Rep:	

PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program: HP UX

Make: HP

OS: UX

PROGRAMS:

Applications	
Will applications be modified:	Yes X No
Will users be accessing modified Apps from the web:	Yes X No
Have all prerequisites been included:	X Yes ____No
Will users use Fast Forward RPM:	Yes X No
Will applications be hosted:	Yes X No
Indicate database that Apps will run on:	Oracle EE release 9i
Indicate CSI for existing prerequisite database and tools:	Database is included on our contract

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	
(2)	
(3)	
(4)	

Internal Administrative Information	
Applications Sales Manager	Chris Politi, (split booking with Kevin Sullivan for "comp" purposes)
Technology Sales Manager	Steve Sokul
Account Manager	Chris Politi
OracleDirect Rep	
Education Sales Rep	NA
Support Renewals Rep	NA
Premium Support Rep	NA
Migrations Manager	NA
Is there a teaming agreement?	____ Yes (if yes; list all appropriate reps) ____ No
Requester:	Name: Chris Politi Business Telephone: 732.855.5086 Cell Phone: 908.565.1662